



COPY

OFFICE OF HOMELAND SECURITY

June 2, 2008

John Gulserian
Emergency Services Officer
Butte County Office of Emergency Services
3-A County Center Drive
Oroville, CA 95065

Monitoring Report #M08-015

Dear Mr. Gulserian:

On April 10, 2008, the Office of Homeland Security (OHS), Monitoring and Audits Unit, Program Monitors James Lewis and Jennifer Kolbe conducted a site monitoring review of the Butte County Operational Area OHS Grant Programs. I wish to thank you and your staff for the courtesy extended to Mr. Lewis and Ms. Kolbe during the review process. Enclosed, you will find the monitoring report for the following grants:

GRANT	PROGRAM NAME	PERIOD MONITORED
2002-0088 #007-00000	FY01 State Domestic Preparedness Equipment Program	07/01/02 - 08/31/04
2002-0133 #007-00000	FY02 State Domestic Preparedness Equipment Program	08/02/02 - 10/31/04
2003-0167 #007-00000	FY03 State Homeland Security Grant Program (SHSGP)	04/01/03 - 10/31/04
2003-0035 #007-00000	FY03 Part II Critical Infrastructural Protection (CIP)	05/01/03 - 09/30/06
2004-0045 #007-00000	FY04 Homeland Security Grant Program (HSGP)	12/01/03 - 04/30/07

The monitoring included a review of staffing needs, operational practices, source documentation, activities, and data reporting requirements. In addition, the monitor examined the grant for compliance with federal financial, administrative and auditing requirements, program guidelines, and other mandates as applicable. Finally, the monitor performed a selected review of accounting records that support the amounts claimed in your reimbursement requests. Project expenditures were validated to provide reasonable assurance that expenses are related to the grant, proper records are maintained, and expenditures are properly authorized and recorded.

As a reminder, the purpose of monitoring is to assist projects in the achievement of their goals and aiding them in administering their grant funds in the most effective and efficient manner. The monitoring is used as a tool to assist the subgrantee in complying with these requirements. Your OHS Program Representative will receive a copy of the monitoring report. Their name and phone number are identified on the face sheet of the report.

If the monitoring report does not identify any findings, a Corrective Action Plan is not necessary and the monitoring process is complete. **If any findings are identified in the monitoring report, you will have 120 days from the last day of the monitoring review to submit a Corrective Action Plan to the Program Monitor.**

GOVERNOR ARNOLD SCHWARZENEGGER • DIRECTOR MATT BETTENHAUSEN
OFFICE OF THE GOVERNOR, SACRAMENTO, CALIFORNIA 95814
(916) 324-8908 • FAX (916) 323-9633

The corrective action process provides two options:

Option One – The subgrantee self certifies by the submission of an Action Plan that details the corrective steps implemented, and that any finding(s) noted in the monitoring report are resolved.

Option Two – Submission of an outlined Corrective Action Plan that addresses the findings noted in this report to be reviewed and approved by OHS program staff (i.e. technical assistance).

When corresponding to our office regarding this monitoring report, please include the monitoring control number on all correspondence. Send your response to:

Governor's Office of Homeland Security
Grants Administrative Section
Monitoring & Audits Unit
State Capitol
Sacramento, California 95814

Thank you for your participation in the monitoring process. If you have any questions regarding this letter or the attached report, please feel free to contact me at (916) 323-9153.

Sincerely,



Brendan Murphy
Deputy Director
Division of Administration
Grants Monitoring and Audits Unit

Attachment

cc: Cyndi Dunsmoor, Butte County OES
Rachel Magana, OHS Program Representative
Monitoring & Audits Unit, chron file
Grants Management Unit, grant file

Monitoring Report Response Form

TO: Governor's Office of Homeland Security Grant Numbers: 2003-0167
2003-0035
2004-0045

Grants Management Section
Monitoring & Audits Unit Monitoring Control #M08-015
State Capitol
Sacramento, CA 95814 Number:

Attention: Stacy Mason-Vegna Response Due: Aug. 8, 2008
Program Manager

FROM: Subgrantee: _____

Option One

☐

I have reviewed the above referenced monitoring report and have submitted for your records a copy of the subgrantee's Action Plan detailing the corrective steps that have been implemented, and self certify that the findings noted in the monitoring report have been corrected.

Option Two

☐

I have reviewed the above referenced monitoring report and have submitted for your review and approval, an outlined Corrective Action Plan that addresses the findings noted in this report to be reviewed and approved by OHS program staff.

Authorized Signature

Title

Date

Typed Name

Title

Telephone Number



**CALIFORNIA GOVERNOR'S
OFFICE OF HOMELAND SECURITY
MONITORING NARRATIVE REPORT**

GRANT/FIPS NUMBER	PROGRAM NAME	PERIOD MONITORED	MONITORED AMOUNT
2002-0088 #007-00000	FY01 State Domestic Preparedness Equipment Program	07/01/02 to 08/31/04	\$124,069
2002-0133 #007-00000	FY02 State Domestic Preparedness Equipment Program	08/01/02 to 10/31/04	\$191,065
2003-0167 #007-00000	FY03 Part I State Homeland Security Grant Program (SHSGP)	04/01/03 to 10/31/04	\$196,052
2003-0035 #007-00000	FY03 Part II State Homeland Security Grant Program (SHSGP)	05/01/03 to 09/30/06	\$521,659
2004-0045 #007-00000	FY04 Homeland Security Grant Program	12/01/03 to 04/30/07	\$890,918

County of Butte Office of Emergency Services Butte County Operational Area			
AUTHORIZED AGENT:	John Gulserian	ADDRESS:	3-A County Center Drive Oroville, CA 95065
CONTACT EMAIL:	JGulserian@buttecounty.net		
CONTACT PHONE NUMBER:	(530) 538-7373		
ALTERNATE POINT of CONTACT:	Cindi Dunsmoor		
CONTACT EMAIL:	cdunsmoor@buttecounty.net		
PROGRAM REPRESENTATIVE:	Rachel Magano	E-mail:	Rachel.Magano@ohs.ca.gov
PHONE NUMBER:	(916) 324-6342		
PROGRAM MONITOR:	James Lewis	E-mail:	James.Lewis@ohs.ca.gov
PHONE NUMBER:	(916) 322-2335	DATE OF MONITORING:	April 8 - 10, 2008

PERSONS INTERVIEWED DURING MONITORING VISIT

NAME	TITLE	AGENCY
John Gulserian	Emergency Services Officer	Butte County OES
Cindi Dunsmoor	Administrative Assistant	Butte County OES
Brett Miller	Financial Manager	Butte County OES

Prepared by:

James Lewis, Program Monitor, OHS Administration Division, Monitoring & Audits Unit

Date

5/27/2008

Approved by:

Brendan Murphy, Deputy Director, OHS Administration Division, Monitoring & Audits Unit

Date

5/27/08

Monitoring Date(s): April 8 -10, 2008

Butte County OES/Sheriff Monitoring Report

Monitoring Report Summary	Total # of Items in Category	In Compliance	Not in Compliance	Not Monitored	Not Applicable	Total
A. Administrative Review						
Review of Audit Reports	2	2				2
Grant Assurances	1	1				1
Grant Approval Notification	2	2				2
Performance Reports	1	1				1
Homeland Security Strategies	1	1				1
Publication of Published Materials	1				1	1
B. Programmatic Review						
Program Goals and Objectives	2	2				2
Exercise	2		2			2
Training	1				1	1
Planning	1				1	1
C. Financial Management						
Accounting System	8	8				8
Distribution of Funds	1	1				1
Advance of Funds	2				2	2
Change Requests/Modifications	2	2				2
Maintenance of Records	1	1				1
D. Fiscal: Personnel Services						
Management and Administrative Services	3	1	2			3
Overtime/Back Fill	3				3	3
E. Fiscal: Procurement						
Responsibility	1		1			1
Methods of Procurement	4				4	4
F. Fiscal: Equipment & Property Management						
Equipment Purchases	3	2	1			3
Property Management & Records Keeping	2	2				2
G. Subgrantee Monitoring & Oversight						
Subrecipient single audit requirements	1				1	1
Management and Administrative Responsibility	1				1	1
Overtime/Backfill/CFO Responsibility	1				1	1
Procurement Responsibility	1				1	1
Equipment & Property Management Responsibility	1				1	1
Total	49	26	6	0	17	49

Butte County OES/Sheriff Monitoring Report

PROGRAM SUMMARY

Corrective Action Plan: Required

MONITORING REPORT DETAIL

A. Administrative Review: Subgrantee in compliance (7 items); Not applicable for Subgrantee (1 item).

1. **Review of Audit Report:** Subgrantee in compliance (2 items).
2. **Grant Assurances:** Subgrantee in compliance (1 item).
3. **Grant Approval Notification:** Subgrantee in compliance (2 items).
4. **Performance Reports:** Subgrantee in compliance (1 item).
5. **Homeland Security Strategies:** Subgrantee in compliance (1 item).
6. **Publication of Materials:** Not applicable for Subgrantee (1 item).

B. Programmatic Review: Subgrantee in compliance (2 items); Subgrantee not in compliance (2 items).

1. **Program Goals & Objectives:** Subgrantee in compliance (2 items).
2. **Exercise:** Subgrantee not in compliance (2 items)
 - a. Exercise Activities/costs allowable and applicable. Subgrantee not in compliance (1 item).

Requirement: Planned Exercises are to be conducted in the manner and for the purposes set forth in the individual grant guides (e.g. number of required exercises per year; types of exercises; reporting requirements, and the management and execution of the exercise). Per the FY 2003, Part I Grant Guide, funds from the equipment allocation may be used to enhance the capabilities of state and local responders"

Butte County OES/Sheriff Monitoring Report

- B. 2. a. **Finding #1:** In FY2003-0167 reimbursement, the subgrantee needs to provide supporting documentation and/or invoices satisfy the reimbursement of \$27,436; the Program Monitor accounted for \$25,356. Further, the subgrantee must provide supporting documentation for the Exercises including the event, the Exercises performed, list of attendees, list of instructors or consultants used, contract, announcement of Exercises with date, location and time the Exercises begin.

Action Required: The subgrantee must provide the missing documentation to satisfy the full reimbursement of \$27,436 and provide a program management report that details the allocation of exercise expenditures to the individual grants programs. This detailed program management system must also contain copies of all supporting documentation as it relates to each of the exercise activities performed and reconcile to the individual awarded amounts. If this cannot happen, the subgrantee must reimburse OHS for any of the unsubstantiated exercise expenditures. Additionally, the subgrantee must provide a corrective action plan to ensure that in the future, its allowable exercise activities management and record-keeping system is sufficient to account for all exercise activities and expenditures reported.

- b. After Action Reports submitted. Subgrantee not in compliance (1 item).

Requirement: Page 10 of the FY2003 Grant Guide states in part, that Operational Areas must prepare After Action Reports (AARs) for all exercises funded with Office of Domestic Preparedness (ODP) support. The AARs must be submitted to the Office of Homeland Security (OHS), within 30 days following the completion of an exercise.

Finding #2: The subgrantee did not provide the monitors with an After Action Report for the FY 2003 grant nor was it registered in the portal for the Office of Domestic Preparedness. The Program Monitors did advise the subgrantee that a complete After Action Report must be provided to the OHS.

Action Required: The subgrantee must provide and submit a complete After Action Report to the OHS to meet compliance for Exercises via the secure portal. The subgrantee must also provide a corrective action plan addressing how it will ensure that in the future, AARs are submitted to OHS within the required timeframe.

3. **Training:** Subgrantee in compliance (1 item).

4. **Planning:** Subgrantee in compliance (1 item).

- C. **Financial Management:** Subgrantee in compliance (12 items); Subgrantee not in compliance (2 items).

Butte County OES/Sheriff Monitoring Report

- C. 1. **Accounting System:** Subgrantee in compliance (8 items).
2. **Distribution of Funds:** Subgrantee in compliance (1 item).
3. **Advance of Funds:** Not applicable for Subgrantee (2 items).
4. **Change Request/Modifications:** Subgrantee in compliance (2 items).
5. **Records Maintenance:** Subgrantee in compliance (1 item).
- D. **Fiscal: Personnel Services:** Subgrantee in compliance (5 items); Subgrantee not in compliance (1 item).
1. **Management and Administrative Services:** Subgrantee in compliance (2 items); Subgrantee not in compliance (1 item)
- a. Allocation: Subgrantee in compliance (1 item).
- b. Allowable Costs/Activities: Subgrantee not in compliance (1 item).

Requirement Insert the governing language that you are hanging your finding on.

Finding #3: The M&A accounted for by the subgrantee is less than the reimbursement amounts in three of the grants through source documentation.

- In the FY 2002-0133 grant, the Program Monitor could account for only \$2,887 of the \$4,987 reimbursed to the subgrantee.
- In the FY 2003-0035 grant, the Program Monitor could account for only \$7,803 of the \$15,649 reimbursed to the subgrantee. Further, there is no documentation to support \$1,700 in per diem allotted to one employee and a \$39 rate for another employee's training.
- In the FY 2004-0045 grant, the Program Monitor could account for \$25,744 of the \$26,727 reimbursed to the subgrantee.

Action Required: The subgrantee must reconcile the allowable M&A costs described.

- c. Functional Timesheets: Subgrantee in compliance (1 item).

Butte County OES/Sheriff Monitoring Report

- D. 1. c. **Requirement:** OMB Circular A-87, Attachment B, #8(h)(4) states, in part, "Charges to Federal awards for salaries and wages...will be based on payrolls documented in accordance with generally accepted practice...that salaries and benefits of personnel supported by more than one grant or project must be verified by functional timesheets of the time spent on each grant project activity."

Finding #4: The subgrantee provided job descriptions for employees Tony St. Amant, Deputy Administrative Officer, Bill Pawek, Facilities Project Specialist and Todd Toth, Sr., Building Crafts Worker implying they were paid out of the grants. However, they did not provide the functional timesheets for each of them.

Action Required: The subgrantees must provide functional timesheets for Tony St. Amant, Bill Pawek and Todd Toth if their duties include those for Homeland Security and their salaries reimbursed on the grant.

2. **Overtime/Backfill and/or CTO:** Not applicable for Subgrantee (3 items).

- E. **Fiscal: Procurement:** Subgrantee in compliance (4 items); Subgrantee not in compliance (1 item).

1. **Responsibility:** Subgrantee not in compliance (1 item).

Requirement: 28CFR66.35 and 66.36 states that the subgrantees are responsible for maintaining a written code of standards of conduct regarding the settlement and satisfaction of all contractual and administrative issues arising from contracts of the subgrantee and grant award procurements. This responsibility includes, but [is] not limited to the procurements process, Davis-Bacon Act, NEPA/CEQA, disputes, debarment and/or exclusion issues, and protests of awards.

Finding #5: Upon review of the procurement and purchasing manual for Butte County, the program monitors determined that the manual did not include language pertaining to the Davis-Bacon Act (fair employment), the California Environmental Quality Act (CEQA) or the National Environmental Protection Act (NEPA), debarment and or exclusion issues, and protests of awards.

Action Required: The subgrantee must ensure that the aforementioned language is included in its procurement policy and that the debarment status of future potential awardees are determined prior to making an award. The Butte County Office of Emergency Services may use a separate addendum to the county record to make possible the inclusion of the language.

2. **Methods of Procurement:** Subgrantee in compliance (4 items).

Butte County OES/Sheriff Monitoring Report

F. Fiscal: Equipment & Property Management: Subgrantee in compliance (2 items); Subgrantee not in compliance (1 item).

1. **Equipment Purchases:** Subgrantee not in compliance (1 item).

a. Allowable and Applicable Equipment: Subgrantee not in compliance (1 item).

Requirement: Per the FY 2003-0167, Part I Grant Guide, weapons systems and ammunition are not allowable and therefore, unauthorized for purchase with OHS grant funds.

Finding #6: The program monitors determined that a component in FY 2003-0167 from the Simunition Training System is considered part of a weapons system and therefore deemed unallowable as Equipment to be used in the subgrantee's Exercises.

Action Required: The subgrantee must back out the costs for the unallowed equipment and use for purchase of other equipment for the FY 2003-0167 grant.

b. Prior Approval and Acquisition: Subgrantee in compliance (1 item).

c. Proficiency Training: Subgrantee in compliance (1 item).

2. **Property and Records keeping:** Subgrantee in compliance (2 items).

G. Subgrantee Monitoring & Oversight: Not applicable for Subgrantee (5 items).

Note: Subgrantee stated that the Butte County is responsible for all oversight of subrecipients.



COPY

OFFICE OF HOMELAND SECURITY

August 8, 2008

John Gulserian
Emergency Services Officer
Butte County Office of Emergency Services
3 A County Center Drive
Oroville, CA 95065

Subject: Corrective Action Plan for Monitoring Narrative Report #M08-015

Dear Mr. Gulserian:

As you are aware, the Office of Homeland Security (OHS) is responsible for monitoring subgrantees to ensure that all administrative, programmatic and financial responsibilities are fulfilled and in accordance with the individual grant guides and applicable rules and regulations.

We have completed our review of your submitted corrective action plan for fiscal year FY 2002-0088, FY 2002-0133, FY 2003-0167 FY03-0035 and FY04-0045 grant programs and have concluded that you have implemented appropriate corrective action as prescribed in the Monitoring Narrative Report #M08-015. Therefore, no further action is required on your part.

Sincerely,

Brendan A. Murphy, Deputy Director
Division of Administration
Monitoring and Audits Unit

cc: Tracey Frazier, OHS Program Representative
Monitoring and Audits Unit, Chron File
Grants Management Unit, Chron File

Butte County OA - #M08-015
Monitor Review Findings
Corrective Action Plan
August 6, 2008

Finding #1: In the FY 2003-0167 reimbursement, the subgrantee needs to provide supporting documentation and/or invoices to satisfy the reimbursement of \$27,436; the Program Monitor accounted for \$25,356. Further, the subgrantee needs to provide supporting documentation for the Exercises.

CAP Required: The subgrantee must provide the missing documentation to satisfy the full reimbursement of \$27,436 and detail the allocation of Exercise expenditures to the individual grants programs.

Action Taken: Subgrantee indicated that \$2,080 was removed from the Exercises category and transferred to Equipment category. This transfer satisfies the action required.

Finding corrected.

Finding #2: The subgrantee did not provide the Monitors with an After Action Report (AAR) for the FY 2003 grant nor was it registered in the portal for the Office of Domestic Preparedness (ODP) support. The Program Monitor did advise the subgrantee that a complete AAR must be provided to the OHS.

CAP Required: The subgrantee must provide and submit a complete After Action Report to the OHS to meet compliance for Exercises via the ODP portal, and provide a corrective action plan addressing how it will ensure that in the future, AAR's are submitted to the OHS within the required timeframe.

Action Taken: Subgrantee stated that the AAR was uploaded into the ODP Portal on June 5, 2008, two months following the monitoring and ensured that that future AAR's will be submitted to the OHS and uploaded into the ODP Portal. The subgrantee also provided a copy of the AAR.

Finding corrected.

Finding #3: The M&A accounted for by the subgrantee is less than the reimbursement amounts in three of the grants through source documentation: FY 2002-0133 (\$2,887 accounted for out of \$4,987); FY 2003-0035 (\$7,803 out of \$15,649); and FY 2004-0045 (\$25,744 out of \$26,727).

CAP Required: The subgrantee must reconcile the allowable M&A costs allowed.

Action Taken: As in the action required for Finding #1, the subgrantee transferred the following as overpayments:

- \$2,100 transferred from M&A to Equipment for the FY 2002-0133 grant to achieve the total of \$4,987;
- \$7,846 transferred from M&A to Equipment for the FY 2003-0035 grant to achieve the total of \$15,649;
- \$983 transferred from M&A to Equipment for the FY 2004-0045 grant to achieve the total of \$26,727.

Finding corrected.

Finding #4: The subgrantee provided job descriptions for employees paid out of the grants but not the functional timesheets.

CAP Required: The subgrantee must provide functional timesheets for employees named by the Monitor.

Action Taken: Subgrantee provided and submitted timesheets for those employees indicating hours applied to OHS duties. The Monitor approves of the functional timesheet utilized.

Finding corrected.

Finding #5: Upon receipt of the procurement and purchasing policy, the Program Monitors determined that the manual did not include language pertaining to the Davis-Bacon Act, the California Environmental Protection Act (CEQA), the National Environmental Quality Act (NEPA), debarment/exclusion issues and protests of awards.

CAP Required: The subgrantee must ensure that the aforementioned language is included in its procurement policy and that the debarment status of future potential awardees are determined prior to making an award. The county may use an addendum to the county record to make possible the inclusion of the language.

Action Taken: Subgrantee provided and submitted pages from their Purchasing Policy and Procedure Manual requested by the Monitor.

Finding corrected.

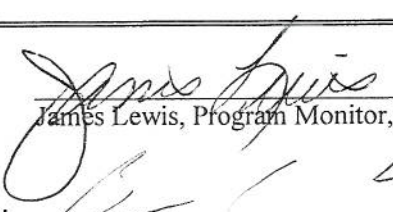
Finding #6: The Program monitors determined that a component in the FY 2003-0167 grant from the Simunition Training System is considered part of a weapons system and therefore deemed unallowable as Equipment. .

CAP Required: The subgrantee must back out the costs for the Simunition Training System as it was determined by the Monitor to be unallowable as Equipment.

Action Taken: Subgrantee backed out the costs used for the Simunition Training System and transferred it to Equipment within the FY 2003-0167 grant.

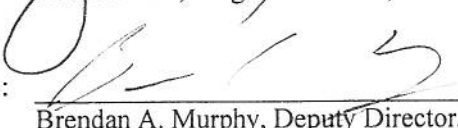
Finding corrected.

Prepared by:


James Lewis, Program Monitor, OHS Administration Division, Monitoring & Audits Unit


Date

Approved by:


Brendan A. Murphy, Deputy Director, OHS Administrative Division, Monitoring & Audits Unit


Date

Monitoring Report Response Form

TO: Governor's Office of Homeland Security Grant Numbers: 2003-0167
2003-0035
2004-0045

Grants Management Section
Monitoring & Audits Unit Monitoring Control #M08-015
State Capitol
Sacramento, CA 95814 Number:

Attention: Stacy Mason-Vegna Response Due: Aug. 8, 2008
Program Manager

FROM: Subgrantee: Butte County

Option One

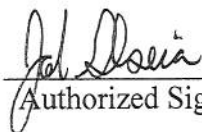


I have reviewed the above referenced monitoring report and have submitted for your records a copy of the subgrantee's Action Plan detailing the corrective steps that have been implemented, and self certify that the findings noted in the monitoring report have been corrected.

Option Two



I have reviewed the above referenced monitoring report and have submitted for your review and approval, an outlined Corrective Action Plan that addresses the findings noted in this report to be reviewed and approved by OHS program staff.



Authorized Signature

John Gulserian

Typed Name

Emergency Services Officer

Title

1 August 08

Date

Emergency Services Officer

Title

(530)538-7373

Telephone Number